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Georgia—Rural Business Service

# Capital Markets

## Southeast Georgia Biofuels Creates 35 jobs

**Outline Of Need:** The SEGA Biofuels, LLC facility was formerly Biomass Innovations LLC, a briquetting manufacturing plant which began operations in 2009, and stopped operations in June 2011. Now, SEGA is converting the plant to produce wood pellets for export to the European Union and to later expand the capacity.



SEGA Biofuels, LLC manufacturing plant—Nahunta, Georgia

High prices and uncertain supply for conventional petroleum and natural gas resources have made wood pellets the fuel of choice in most European countries. Wood pellets are being used as fuel for both electrical generation and heating. The European market cannot produce enough pellet products to meet their renewable energy goals. This created a winning business opportunity for SEGA Biofuels LLC.

### How Rural Development Helped:

USDA Rural Development provided an \$8,370,610 Business & Industry Guaranteed Loan and

### Fast Facts

**Program:** Business & Industry Guaranteed Loan / REAP B&I Loan

**Investment:** \$9,675,000 (\$8,370,610 B&I and \$1,304,390 REAP)

Congressional District: GA-1, Jack Kingston

#### Demographics

Rural Population—Nahunta, Georgia 1,053

#### Impact:

- Re-open manufacturing plant that closed operations in June 2011
- 35 jobs created

\$1,304,390 Rural Energy for America Program Business and Industry funds to purchase land and building, purchase equipment, provide working capital, acquire the existing units of Biomass Innovations, LLC from East Kansas Agri-Energy, and pay loan fees.

**The Results:** Since most of the existing equipment is the same as required for a pellet plant, the plant conversion can be accomplished simply by replacing the briquetting machines with pelletizers, and making other related production changes.



Wood pellets

SEGA marketing has already secured a contract to supply wood pellets to an active commodity brokerage in Copenhagen, Denmark and discussions with other entities for marketing agreements are also in progress.

The majority of the fiber used for pellet production will be purchased from 16 sawmills and in-woods chipping operations within 80 miles of the facility.

SEGA will retain the existing plant management team and most of the production staff to assure continuity of operations, 35 jobs in all are created by this new Biofuels business.

**July 2012**



SEGA decided on the Nahunta site for this pellet plant because of the abundant supply of raw material in the immediate area and proximity to several port facilities (such as the Port of Brunswick pictured here) that make foreign markets for pellets accessible.